

§ 363.0

SOURCE: 67 FR 64286, Oct. 17, 2002, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part 363 appear at 70 FR 57433, Sept. 30, 2005 and 70 FR 57442, Sept. 30, 2005.

Subpart A—General

§ 363.0 What is the TreasuryDirect® system?

The TreasuryDirect system (TreasuryDirect) is an online account system in which you may hold and conduct transactions in eligible book-entry Treasury securities.

§ 363.1 What Treasury securities are covered by these regulations?

The regulations in this part apply to book-entry Treasury securities held in the TreasuryDirect® system.

§ 363.2 What agency administers TreasuryDirect®?

The Bureau of the Public Debt (Public Debt), Department of the Treasury (Treasury) is responsible for administering TreasuryDirect. Public Debt may delegate authority to process certain transactions in TreasuryDirect to Federal Reserve Banks and Branches as fiscal agents of the United States.

§ 363.3 [Reserved]

§ 363.4 How is TreasuryDirect® different from the Legacy Treasury Direct system and the commercial book-entry system?

(a) *TreasuryDirect*. TreasuryDirect is a book-entry, online system maintained by Treasury for purchasing, holding and conducting permitted transactions in eligible Treasury securities in electronic form as a computer record on the books of Treasury. TreasuryDirect currently provides for the purchase and holding of eligible book-entry savings bonds, certificates of indebtedness, and eligible marketable Treasury securities.

(b) *Legacy Treasury Direct*. The Legacy Treasury Direct system is a non-Internet-based book-entry system maintained by Treasury for purchasing, holding, and conducting permitted transactions in eligible marketable Treasury securities as book-entry products. The terms and conditions for

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the Legacy Treasury Direct system are found at 31 CFR part 357, subpart C.

(c) *Commercial book-entry system*. The commercial book-entry system is the book-entry system in which Treasury securities are held in a tiered system through securities intermediaries such as financial institutions or brokerage firms. The regulations governing the commercial book-entry system are found at 31 CFR part 357, subpart B, and may be referred to in that part as Treasury/Reserve Automated Debt Entry System (TRADES).

[70 FR 57442, Sept. 30, 2005]

§ 363.5 How do I contact Public Debt?

(a) You may use the “Contact Us” feature within TreasuryDirect® to communicate information to us over a secure Internet connection.

(b) Emails may be sent to: *treasury.direct@bpd.treas.gov*. We will reply by e-mail unless you request otherwise. We are not responsible for the security of e-mail messages you may send to us, or replies we may send to you.

(c) Letters should be addressed to: Bureau of the Public Debt, TreasuryDirect, P.O. Box 5312, Parkersburg, WV 26106-5312.

[67 FR 64286, Oct. 17, 2002, as amended at 70 FR 57442, Sept. 30, 2005]

§ 363.6 What special terms do I need to know to understand this part?

Account means a TreasuryDirect® account as described in § 363.10.

Authentication means confirming that the person accessing a TreasuryDirect account is the same person whose identity was initially verified at account establishment.

Automated Clearing House (ACH) means a funds transfer system governed by the Rules of the National Automated Clearing House Association (NACHA). NACHA provides for the interbank clearing of electronic entries for participating financial institutions.

Beneficiary refers to the second individual named in the registration of a definitive savings bond, a converted definitive savings bond, or a book-entry security purchased through the TreasuryDirect system, registered, *e.g.*,

“John Doe SSN 123-45-6789 POD (payable on death to) Joseph Doe SSN 987-65-4321.

Book-entry security means a Treasury security maintained by us in electronic or paperless form as a computer record.

Business day means any day that funds may be settled through ACH.

Certificate of Indebtedness is a one-day non-interest-bearing security held within your primary or linked account, including a minor account for which you are the custodian, that automatically matures and is rolled over each day until you request that it be redeemed.

Commercial book-entry system refers to the book-entry system in which you hold your Treasury securities in a tiered system through securities intermediaries such as financial institutions or brokerage firms. (See § 363.4.)

Court means a court of law with jurisdiction over the parties and the subject matter.

Conversion account means a linked account in TreasuryDirect that contains only savings bonds that have been converted from definitive bonds to book-entry bonds.

Converted savings bond means a savings bond originally issued as a definitive bond that has been surrendered to us and converted to a book-entry savings bond to be maintained by Treasury solely as a computer record.

Converting coowner is the coowner who initiates and completes the transaction to convert a definitive savings bond to a book-entry bond through his or her TreasuryDirect account.

Coowner means either of the persons named in the registration of a definitive or a converted definitive savings bond, registered, e.g., “John Doe SSN 123-45-6789 or Joseph Doe.”

Custodian of a minor account means a person who opens an account on behalf of the minor. (See § 363.27 for more information about minor accounts.)

Custom account means an account that you establish for a specific purpose that is linked to your primary account. You use your primary account as the portal to open and access your custom linked account. (See § 363.10 for more information about custom accounts.)

Definitive security means a Treasury security held in paper form.

De-link means the online process by which all securities contained within the minor linked account are moved to the minor's primary TreasuryDirect account and the linked account is deactivated.

Delivery means moving a minimum amount of \$25 (consisting of principal and proportionate interest) of a security held as a gift from the account of the purchaser to the account of the recipient.

Federal Reserve Bank (Reserve Bank) means a Federal Reserve Bank or Branch.

Final maturity of a savings bond means the date beyond which an unredeemed savings bond no longer earns interest.¹

Financial institution, or depository financial institution, means an entity described in 12 U.S.C. 461 (b)(1)(A)(i)-(vi).

Gift means a Treasury security purchased for or transferred to an intended recipient, without consideration.

Individual means a natural person. Individual does not mean an organization, representative, or fiduciary.

Interest on a savings bond means the difference between the purchase price and the redemption value of the bond.

Legacy Treasury Direct system is a non-Internet-based book-entry system maintained by Treasury since 1986 for purchasing and holding marketable Treasury securities directly with Treasury as book-entry products. (See § 363.4.)

Legal guardian of a minor or incompetent person refers to the court-appointed or otherwise qualified person, regardless of title, who is legally authorized to act for the minor or incompetent individual.

Legal representative refers to the court-appointed or otherwise qualified person, regardless of title, who is legally authorized to manage and settle the estate of a decedent. The term includes an executor and an administrator.

¹Series EE and Series I savings bonds currently have an original maturity period of 20 years and an extended maturity period of 10 years beyond original maturity during which the bonds continue to earn interest.

Legally incompetent means a court has declared an individual to be incapable of handling his or her business affairs.

Linked account means an account that is a separate account from your primary account, but connected to your primary account. You use your primary account as a portal to open and access the linked account. (See § 363.10 for more information about linked accounts.)

Marketable Treasury security refers to a Treasury bill, note, or bond that is negotiable and transferable, that is, may be bought and sold in the secondary market.

Minor means an individual under the age of 18 years. The term minor is also used to refer to an individual who has attained the age of 18 years but has not yet taken control of the securities contained in his or her minor account.

Minor account means an account that a custodian controls on behalf of a minor, that is linked to the custodian's primary account. (See §§ 363.10 and 363.27 for more information about minor accounts.)

Non-converting coowner is the coowner who does not participate in the transaction to convert a definitive savings bond to a book-entry bond.

Online means use of the Internet.

Owner is either a single owner, the first person named in the registration of a security held in the owner with beneficiary form of registration, the primary owner of a security held in the primary owner with secondary owner form of registration, or either coowner of a converted savings bond.

Person means an entity including an individual, trust, estate, corporation, government entity, association, partnership, and any other similar organization. Person does not mean a Federal Reserve Bank.

Primary account means the account that you establish when you first open your TreasuryDirect account; your primary account is the portal used to open and access all your linked accounts. (See § 363.10 for more information about primary accounts.)

Primary owner means the first person named in the registration of a security held in TreasuryDirect registered, e.g., "John Doe SSN 123-45-6789 with Joseph

Doe SSN 987-65-4321." In this example, John Doe is the primary owner.

Principal amount means the amount of the original investment. Principal amount does not include any interest earned.

Recipient means the person to whom a gift is given.

Redemption of a savings bond refers to the payment of principal and interest at final maturity, or prior to final maturity at the option of the owner. The owner may redeem all principal and interest or a portion of the principal and the proportionate amount of interest.

Redemption value means principal plus accrued interest of a bond, or a portion of the principal plus a proportionate amount of accrued interest on the bond, as of the date of redemption.

Registration or *Registered* means that the name and taxpayer identification number(s) (TIN) of the person(s) named on the security are maintained on our records.

Sell Direct® is a service in which Treasury, through our agent, will sell your marketable Treasury security held in TreasuryDirect or Legacy Treasury Direct on the open market for a fee.

Secondary owner means the second person named in the registration of a book-entry security held in TreasuryDirect registered, e.g., "John Doe SSN 123-45-6789 with Joseph Doe SSN 987-65-4321." In this example, Joseph Doe is the secondary owner.

Security, or *Treasury security*, as used in this part, means an obligation issued by Treasury that may be held in TreasuryDirect.

Series EE savings bond is an accrual-type savings bond, issued either in definitive (paper) form or in book-entry form, that accrues interest on the principal based on rates determined by Treasury.

Series I savings bond is a savings bond, issued either in definitive (paper) form or in book-entry form, that accrues interest in accordance with a formula that includes a fixed component and a component indexed to the rate of inflation.

Signature guarantee program means a signature guarantee program established under 17 CFR 240.17Ad-15, issued

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under authority of the Securities Exchange Act of 1934. For the purpose of this part, we recognize the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchanges Medallion Program (SEMP), and the New York Stock Exchange, Inc., Medallion Signature Program (MSP). These certifications are acceptable for transfers of securities, but are not acceptable for offline account establishment.

Single owner means the individual named in the registration of a book-entry Treasury security or a converted savings bond without a beneficiary, secondary owner, or coowner.

Social security account number or *social security number (SSN)* means the identifying number required on tax returns and other documents submitted to the Internal Revenue Service by an individual. A SSN is composed of nine digits separated by two hyphens, for example, 123-45-6789.

Taxpayer identification number (TIN) means the identifying number required on tax returns and other documents submitted to the Internal Revenue Service; that is, an individual's social security number (SSN) or an employer identification number (EIN). A SSN is composed of nine digits separated by two hyphens, for example, 123-45-6789. An EIN is composed of nine digits separated by one hyphen, for example, 12-3456789. The hyphens are an essential part of the numbers.

Tender means an offer, or bid, to purchase a marketable Treasury security.

Transaction is any action affecting Treasury securities or account information.

Transfer is a transaction to move a security, or a portion of a security, from one account to another within TreasuryDirect, or to move a marketable Treasury security to or from a TreasuryDirect account and an account in Legacy Treasury Direct or the commercial book-entry system.

Verification means confirming the identity of an online applicant for a TreasuryDirect account at account establishment using a verification service.

Verification service means a public or private service that confirms the identity of an online applicant for a TreasuryDirect account at account es-

tablishment using information provided by the applicant.

Voluntary representative means the person qualified by the Department of the Treasury to accept payment or direct distribution of a decedent's securities pursuant to § 363.44.

We, us, or our refers to the Bureau of the Public Debt. The term includes the Secretary of the Treasury and the Secretary's delegates at the Treasury Department and Bureau of the Public Debt. The term also includes any fiscal or financial agent we designate to act on behalf of the United States.

You or your refers to a TreasuryDirect primary account holder.

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Subpart B—General Provisions Governing Securities Held in TreasuryDirect

§§ 363.7–363.8 [Reserved]

§ 363.9 What does this subpart cover?

This subpart provides general rules governing securities held within the TreasuryDirect® system. Provisions in the subparts governing specific securities that conflict with these general rules will supersede these general rules.

[70 FR 57433, Sept. 30, 2005]

§ 363.10 What is a TreasuryDirect® account?

A TreasuryDirect account is an online account maintained by us solely in your name in which you may hold and conduct transactions in eligible book-entry Treasury securities.

(a) *Primary Account.* Your primary account that you establish when initially opening your TreasuryDirect account may contain the following Treasury securities:

(1) Treasury securities purchased initially as book-entry securities that are your personal holdings, in sole owner, owner with beneficiary, and primary owner with secondary owner forms of registration;